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Proposed programme budget for the biennium 2006-2007*

Part IV
International cooperation for development

Section 13
International Trade Centre UNCTAD/WTO

(Programme 10 of the biennial programme and priorities for the period 2006-2007)**

* A summary of the approved programme budget will subsequently be issued as *Official Records of the General Assembly, Sixtieth Session, Supplement No. 6* (A/60/6/Add.1).

** *Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 6* (A/59/6/Rev.1).

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Preliminary estimate to accommodate the International Trade Centre programme of activities during the biennium 2006-2007

13.1 The General Assembly, in section I of resolution 59/276 of 23 December 2004, endorsed revised administrative arrangements for the International Trade Centre UNCTAD/WTO (ITC) as set out in the report of the Secretary General (A/59/405).

13.2 In conformity with these administrative arrangements, after consultations between the United Nations, the World Trade Organization (WTO) and ITC secretariats, a proposal in the form of a simplified fascicle, in the United Nations format, will be submitted in the second quarter of the year preceding the forthcoming financial period for information to the General Assembly and the WTO General Council, with a request that both bodies take note of the planned level of resources that will be requested. The proposals outlined below are of an interim nature.

13.3 ITC is responsible for the implementation of subprogramme 6 of programme 10, Trade and development, of the biennial programme plan and priorities for the period 2006-2007.

13.4 The Centre's only mandate is technical assistance and one of its main goals is to facilitate the integration into the multilateral trading system of small and medium-sized enterprises of developing countries and countries with economies in transition, in particular least developed countries. ITC clients are, by definition, small entities and require projects in line with their absorption capacity. ITC basically delivers advisory services and, contrary to other technical assistance programmes where physical infrastructure or consumable goods may absorb a high amount of resources requiring a limited number of processes, ITC work consists of a very high number of low unit cost actions. Over the period 2000-2004, the regular budget resources increased by 8.5 per cent (from 29.5 million to 32 million Swiss francs). Over the same period, ITC increased its delivery of technical assistance by 82 per cent (from US$ 11.6 million to 21.1 million dollars). These considerable achievements in financial terms, along with the quality of delivery of technical assistance, has led to unprecedented demand for ITC services over the past few years, both from donors and beneficiaries, which is expected to continue. The adoption of the Doha development agenda was one of the reasons for the increased demand for ITC services. The multilateral trading system would not be sustainable if the business sector in developing countries and countries with economies in transition was not involved to the same extent as in developed countries. It is expected that the Sixth Ministerial Meeting of WTO, to be held in Hong Kong in December 2005, will further highlight the need for greater technical assistance from ITC. Over the past few years, the growth in demand for ITC services has been met through a number of initiatives, including refocusing of activities, the extensive use of information and communication, increased applied research at Headquarters and the streamlining of procedures, as well as continued support by its parent organizations. Country-level technical assistance support is provided from extrabudgetary resources, matched by assessed resources for technical research and development of tools, training materials and publications.

13.5 The proposed requirements for the biennium 2006-2007 represent a decrease of 0.8 per cent in real terms. The net decrease of $211,800 (United Nations share) is the result of: (a) an increase of $103,900, which represents the delayed impact of the 4 Professional posts (2 P-4, 1 P-3, 1 P-2) and 3 General Service (Other level) posts approved for the biennium 2004-2005; (b) an increase of $244,400 in order to provide for two new Professional posts (1 P-4 and 1 P-3) to reinforce the core activities of ITC (needs assessment, related programme design activities and tools development) for which demand has already significantly increased and is anticipated to increase further as a result of the Hong Kong Trade Ministers meeting; offset by (c) a decrease of $560,100, equivalent to the one-time provision for strengthening the security management system adopted by the General Assembly in section XI of its resolution 59/276.

13.6 The additional posts that are being requested would enable ITC: (a) to respond to the demand from developing countries and countries with economies in transition for comprehensive and ongoing advice on strategy design and for assistance in institution strengthening and policy development relating to strategy management; and (b) to reinforce its capacity to develop and maintain an in-depth understanding of the trade development challenges of, in particular, countries with economies in transition, and to spearhead needs assessment and programme design activities, as well as to respond properly to the growing demand for new technical cooperation approaches, tailor-made to the specific needs of such countries.

13.7 The requirements of ITC, expressed at 2004-2005 rates, are estimated at SwF 65,540,400 for the biennium 2006-2007. It is projected that an amount of SwF 470,000, representing income from various sources, would be available to ITC during the biennium. On that basis, the contribution of each organization is estimated at SwF 32,535,200 (at 2004-2005 rates) for the biennium 2006-2007. The table below shows the United States dollar equivalent of those requirements for the biennium 2006-2007.

Summary of requirements (United Nations share)

(Thousands of United States dollars)

Regular budget

	2002-2003 expenditure	*2004-2005 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2006-2007 estimate*
			Amount	*Percentage*			
Grants and contributions	20 560.2	26 136.3	(211.8)	(0.8)	25 924.5	77.4	26 001.9
Total	**20 560.2**	**26 136.3**	**(211.8)**	**(0.8)**	**25 924.5**	**77.4**	**26 001.9**

13.8 The General Assembly may wish to take note of the planned level of resources. The detailed proposed programme budget of ITC for the biennium 2006-2007 will be submitted to the General Assembly and to the General Council of WTO in the last quarter of 2005.